



# ENERGY ASSURANCE DAILY

Friday Evening, July 12, 2013

## Electricity

### Update: 28,000 Customers Remain Without Power in Ohio and Pennsylvania July 12 after July 10 Storms

As of 4:00 p.m. Eastern, Friday, approximately 28,000 customers remained without in Ohio and Pennsylvania after strong storms swept through the region on Wednesday leaving nearly 363,000 customers without power. AEP Ohio, the hardest hit utility, expected to have 90 percent of its affected customers restored by 6:00 p.m. Friday. Full restoration for all affected customers is expected by 10:00 p.m. Sunday.

Ohio and Pennsylvania Customer Power Outages July 10-12, 2013			
Electric Utility	State	Peak	Latest Reported
AEP Ohio	OH	152,000	18,848
First Energy Ohio	OH	69,938	4,866
Dayton Power & Light	OH	48,500	111
First Energy Pennsylvania	PA	62,000	3,096
Duquesne Light	PA	30,500	870
<b>TOTAL *</b>		<b>362,938</b>	<b>27,791</b>

\*Total outages represent only electric utilities listed in this table.

Sources:

<https://www.aepohio.com/outages/details.aspx?stormName=AEP%20Ohio%20Summer%20Storm%20July%2010,%202013>

<https://www.duquesnelight.com/forOurCustomers/importantInformation.cfm>

<http://www.dpandl.com/customer-service/outage-center/outage-map/>

<http://outages.firstenergycorp.com/pa.html>

<http://outages.firstenergycorp.com/oh.html>

<https://twitter.com/DuquesneLight>

### MISO Needs to Encourage Generators to Keep Existing Plants in Service, Add New Capacity – Potomac Economics

Potomac Economics' 2012 state of the market report states the need for the Midcontinent Independent System Operator (MISO) to fix its capacity market to encourage generators to keep more of their existing plants (especially old coal-fired plants) in service and build new ones. MISO has forecast shutting up to 12,000 MW of coal-fired generation as weak natural gas and power prices and growing wind power resources make it uneconomic for them to upgrade their old coal plants to comply with increasingly strict federal environmental rules. Despite potential future problems, Potomac Economics' indicates that the system's resources should be adequate for summer 2013 if the peak conditions are not substantially hotter than normal.

[http://www.potomaceconomics.com/uploads/midwest\\_reports/2012\\_SOM\\_Report\\_final\\_6-10-13.pdf](http://www.potomaceconomics.com/uploads/midwest_reports/2012_SOM_Report_final_6-10-13.pdf)

Reuters, 10:53 July 12, 2013

### Update: Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York Ramped Up to 99 Percent by July 12

The unit exited an outage and ramped up 21 percent by July 11. The unit was shut down for valve work July 8, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

## **AES's 226 MW Huntington Beach Gas-fired Unit 1 in California Returns to Service by July 11**

The unit returned from an unplanned curtailment of 206 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201307111515.html>

## **Inland Empire Energy Center's 366 MW Gas-fired Unit 2 in California Returns to Service by July 11**

The unit returned from an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201307111515.html>

## **Dynergy's 335 MW El Segundo Gas-fired Generating Station in California Reduced by July 11**

The unit entered an unplanned curtailment of 260 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201307111515.html>

## ***Petroleum***

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### **Update: Enbridge Restarts Line 37 Pipeline at Reduced Pressure, Returns Athabasca Pipeline to Full Service July 11**

Enbridge Inc. returned to service its Line 37 pipeline between Long Lake and Cheecham, Alberta at reduced operating pressure, and returned to full service the Athabasca Pipeline (Line 19) between Fort McMurray and Cheecham. Line 37 had been shut down June 22 as a result of a release of light synthetic crude oil, estimated to be 1,300 barrels, caused by high rains which led to 1-in-100 year water levels that triggered ground movement on the right-of-way. The Athabasca Pipeline and other pipelines sharing a corridor with Line 37 had been shut down as a precaution. Following extensive engineering and geotechnical analysis, as well as excavation and inspection at several points on the pipeline, the northern segment of the Athabasca Pipeline was returned to service at reduced pressure July 1; the southern segment has been operating at normal pressure since June 23. The Wood Buffalo Pipeline (Line 75) continues to operate at reduced pressure pending completion of inspection on that line. Enbridge anticipates returning Line 37 and the Wood Buffalo pipelines to full pressure and capacity, although timing for completion cannot yet be determined. The Waupisoo Pipeline (Line 18) between Cheecham and Edmonton is operating at normal pressure. The Woodland Pipeline (Line 49) between Fort McMurray and Cheecham had been in the process of linefill at the time of the shutdown; linefill activities into Cheecham are continuing.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1739861>

### **Update: Manufacturing Defects Blamed in Exxon's Pegasus Pipeline Spill in Arkansas According to Independent Report**

Manufacturing defects were blamed in an independent report on the March 29th Pegasus pipeline spill, which released 150,000 gallons of crude oil in Mayflower, Arkansas. "Based on the metallurgical analysis, the independent laboratory concluded that the root cause of the failure can be attributed to original manufacturing defects — namely hook cracks near the seam." Exxon Mobil Corp said in a news release. "Additional contributing factors include atypical pipe properties, such as extremely low impact toughness and elongation properties across the ... seam." "We are still conducting supplemental testing, which will help us understand all factors associated with the pipe failure and allow for the verification of the integrity of the Pegasus Pipeline. These tests will help us determine the mitigation steps we need to take to ensure a similar incident does not occur again," the company said. The cleanup is continuing and the pipeline remains shut down.

<http://finance.yahoo.com/news/exxon-report-blames-ark-pipeline-134620698.html>

### **4-Hour Shutdown Reported on 400,000 b/d Seaway Crude Oil Pipeline July 11 - Genscape**

Genscape issued a report yesterday stating the Seaway pipeline, which runs from Cushing, Oklahoma to the Texas Gulf Coast, had resumed flowing after being shut down for about four hours. Seaway Crude Pipeline Co LLC is a 50-50 joint venture between Enterprise Products Partners and Enbridge Inc.

Reuters, 15:53 July 11, 2013

### **Rupture Reported at Sunoco Logistics Pipeline in Lucas County, Ohio July 12**

Sunoco Logistics reported a pipeline rupture causing the spill of unknown materials. The size of the spill was unknown and excavation work on the soil was ongoing, according to a filing with U.S. National Response Center. Reuters, 2:55 July 12, 2013

### **Increase in Bakken Crude Contributed to 48,000-Order Backlog for New Tank Cars in 2012 – U.S. Railway Supply Institute**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=40044](http://www.downstreamtoday.com/news/article.aspx?a_id=40044)

### **Colonial Seeks Permit to Add 2.5 Million Barrels of Refined Product Storage Capacity at Baton Rouge, Louisiana Tank Farm**

Colonial Pipeline applied for an expansion permit its Baton Rouge storage tank farm, which currently has about 67,000 barrels of storage. The expansion plan, named Project Lagniappe, will add about 2.5 million barrels of refined products and distillate storage to the facility. The facility, which had been the site for an earlier project to add 10 storage tanks and a refined products pipeline to Georgia but was abandoned in 2009 due to economic concerns, will also be able to store light petroleum and gasoline blendstocks, in addition to refined products. The plan to handle the new products includes adding 11 internal floating roof tanks with refined products and light petroleum storage capacity of 2 million barrels. The facility will also add three fixed roof tanks with 500,000 bbl of distillate capacity and a 41,500-bbl butane sphere and truck unloading facilities will be installed. Construction began on the new facility in November 2012 and operations are expected to begin April 2014.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=40042](http://www.downstreamtoday.com/news/article.aspx?a_id=40042)

### **Update: New Hydrocracker Starts Up at Valero's 205,000 b/d St. Charles, Louisiana Refinery July 11**

The new hydrocracker at the Valero's St. Charles Refinery has successfully and safely begun operations and is increasing toward planned rates. The new hydrocracker unit's throughput is rated at 60,000 b/d. Valero started up a similar hydrocracker at its Port Arthur refinery in December 2012. The hydrocrackers were designed to capitalize on high crude oil and low natural gas prices, and produce primarily diesel to meet growing demand in both domestic and export markets. Valero is pursuing projects to expand throughput capacity to 75,000 b/d at each of the new hydrocrackers. With successful permitting, the expansion projects are expected to be complete in 2015. In addition, Valero is pursuing a 20,000 b/d expansion of the existing hydrocracker at its Meraux refinery that should be complete by the end of 2014.

<http://pdf.reuters.com/htmlnews/8knews.asp?i=43059c3bf0e37541&u=urn:newsml:reuters.com:20130711:nHUGdbZr>

### **Alkylation Unit Shut at Philadelphia Energy Solutions 330,000 b/d Philadelphia Refinery July 12**

Philadelphia Energy Solutions is shutting down an alkylation unit for up to 10 days, reducing gasoline production at its catalytic cracker, according to Energy News Today.

Reuters, 11:54 July 12, 2013

### **Update: Phillips 66's 198,400 Ponca City, Oklahoma Refinery Back to Normal Operations July 12**

Normal operations resumed today after a power disruption on Thursday. The refinery suffered storm-related power disruption and was in the process of restarting several units on Thursday.

Reuters, 12:56 July 12, 2013

### **FCCU Shut at Shell's 600,000 b/d Motiva Port Arthur, Texas Refinery July 11**

Motiva Enterprises on Thursday confirmed the shutdown of a fluid catalytic cracking unit (FCCU) at Port Arthur, Texas, refinery, according to a filing with regulators. The refinery experienced an operational upset and flaring due to a compressor trip at the FCCU, the filing with the Texas Commission on Environmental Quality said.

Reuters, 13:46 July 12, 2013

### **Update: FCCU Undergoing Maintenance at Valero's 310,000 b/d Port Arthur, Texas Refinery July 11**

A gasoline-producing fluidic catalytic cracking unit (FCCU) was undergoing maintenance yesterday and is expected back in operation soon, according to a company spokesperson. Valero had earlier said that the unit was running at less-than-planned production levels.

Reuters, 12:33 July 11, 2013

### **Flaring Reported at Western Refining's 122,000 b/d El Paso, Texas Refinery July 12**

Flaring was reported from the north plant main flare and Western Refining has begun repairs on a flare gas recovery compressor, according to a filing made to the U.S. National Response Center.

Reuters, 2:12 July 12, 2013

### **CCU Upset Reported at Phillips 66's 100,000 b/d Ferndale, Washington Refinery July 12**

A catalytic cracking unit (CCU) upset was reported on July 1, according to a filing with the Northwest Clean Air Agency on Friday. The company also reported the release of hydrogen cyanide from the unit.

Reuters, 13:06 July 12, 2013

### **Tail Gas Unit Emissions Reported at BP's 225,000 b/d Cherry Point, Washington Refinery July 12**

Hydrogen sulfide emissions from a tail gas unit due to an upset were reported July 1, according to a filing with the Northwest Clean Air Agency.

Reuters, 13:16 July 12, 2013

## ***Natural Gas***

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### **Leak Maintenance at to End July 26 on Williams Transco Southeast Louisiana Gas Line**

Planned maintenance due to a small leak, discovered in late June, on the offshore portion of Williams Cos Inc's Transcontinental Gas Pipeline Co (Transco) Southeast Louisiana Lateral gas line would be completed on July 26. Two locations remain unavailable for flow to the Transco system until the work is completed, according to the company.

Reuters 12:31, July 11 2013

## ***Other News***

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### **Department of Energy Releases New Report on Energy Sector Vulnerabilities July 11**

The U.S. Department of Energy released a new report which assesses how America's critical energy and electricity infrastructure is vulnerable to the impacts of climate change. Historically high temperatures in recent years have been accompanied by droughts and extreme heat waves, more wildfires than usual, and several intense storms that caused power and fuel disruptions for millions of people. These trends are expected to continue, which could further impact energy systems critical to the nation's economy. The implications for America's energy infrastructure include an increased risk of temporary, partial, or full shutdowns at thermoelectric (coal, natural gas, and nuclear) power plants because of decreased water availability for cooling and higher ambient and air water temperatures; reduced power generation from hydroelectric power plants in some regions and seasons due to drought and declining snowpack; increasing risks of physical damage to power lines, transformers, and electricity distribution systems from hurricanes, storms, and wildfires that are growing more intense and more frequent; increased risks of disruption and delay to fuel transport by rail and barge during more frequent periods of drought and flooding that affect water levels in rivers and ports; and higher air conditioning costs and risks of blackouts and brownouts in some regions if the capacity of existing power plants does not keep pace with the growth in peak electricity demand due to increasing temperatures and heat waves.

<http://energy.gov/articles/department-energy-releases-new-report-energy-sector-vulnerabilities>

### Leak Causes Shutdown on Shell Nigeria's Trans Niger Pipeline July 12

A leak was detected at the Trans Niger pipeline on Thursday only a week after the company re-opened the pipeline following the repair crude theft points. The cause and size of the spill are currently unclear, according to a Shell spokesperson.

Reuters, 15:32 July 11, 2013

### Pumping Resumes after Stopping Overnight on Iraq's Kirkuk-Ceyhan July 12

Oil pumping has resumed from Kirkuk in Iraq to the port of Ceyhan in Turkey after stopping overnight. Pumping had only resumed Thursday after being suspended since June 21 because of a leak.

Reuters 10:11 June 12, 2013

## Energy Prices

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U.S. Oil and Gas Prices			
July 12, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	105.49	102.73	85.01
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.64	3.54	2.72

Source: Reuters

## Links

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***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

### ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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